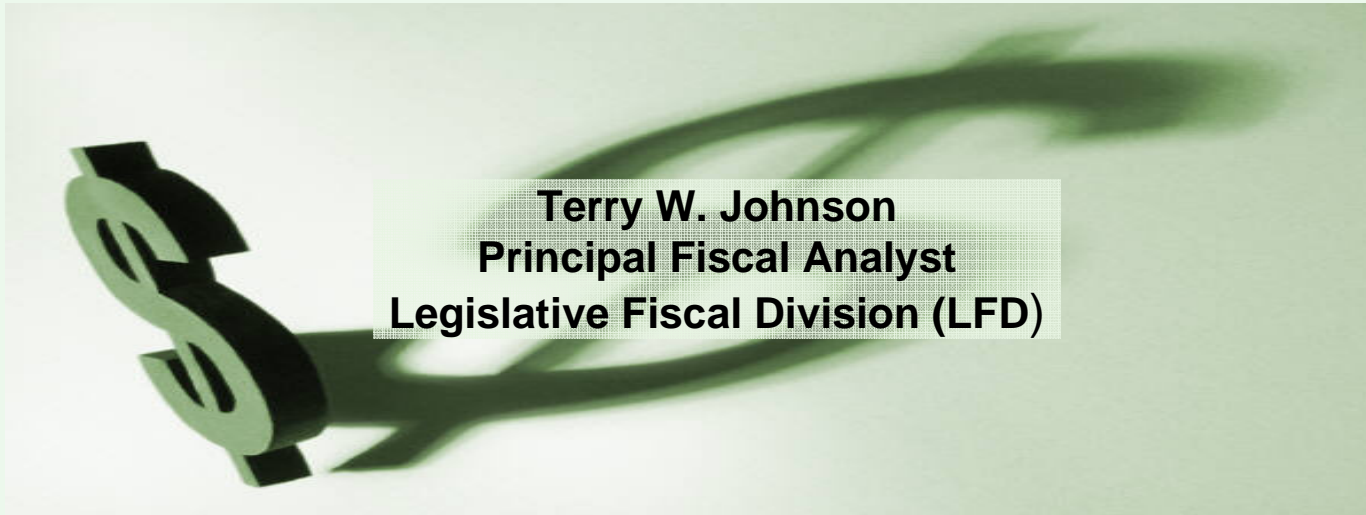




General Fund Revenue Report



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March 6, 2008

A report to the
Legislative Finance Committee



Presentation Outline

- **Comparison: HJ 2 to Now**
- **Selected Revenue Source Data**
 - Individual Income Tax
 - Corporation Income Tax
- **Economic Trends**
- **Summary and Watch List**





Summary of Aggregate General Fund Revenue

■ Through February 2007	\$ 963.0 M	
■ Through February 2008	\$ 1,023.7 M	
■ Current Growth and Rate	\$ 60.6 M	6.8%
■ HJ 2 Growth and Rate	\$ -60.0 M	-3.3%





Comparison of Selected Revenue Sources (Millions)



Comparison of Selected Revenue Sources to Adjusted HJ2 Estimates

Revenue Source	HJ2		
	Actual Fiscal 2007	Estimated Fiscal 2008	Estimated Chg From 2007
Individual Income Taxes	827,145,498	766,566,000	(60,579,498)
Corporation Income Taxes	177,503,707	161,271,000	(16,232,707)
Property Taxes	190,981,940	198,117,000	7,135,060
Natural Resource Taxes & Royalties	144,466,392	152,406,000	7,939,608
Vehicle Taxes	116,474,896	118,635,000	2,160,104
Totals	\$1,456,572,433	\$1,396,995,000	(\$59,577,433)





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Individual Income Tax Comparison (Millions)

Individual Income Tax Comparison				
Revenue Code & Description	Through 2/28/07 Fiscal 2007	Through 02/29/08 Fiscal 2008	Difference	Percent Change
510101 Withholding Tax	374,180,106.88	412,012,204.73	37,832,097.85	9.18%
510102 Estimated Tax	148,293,069.97	160,702,793.52	12,409,723.55	7.72%
510103 Current Year I/T	10,621,161.16	17,137,777.80	6,516,616.64	38.02%
510105 Income Tax - Audit Collections	14,913,052.33	18,464,165.00	3,551,112.67	19.23%
510106 Income Tax Refunds	<u>(81,787,819.43)</u>	<u>(94,208,132.40)</u>	<u>(12,420,312.97)</u>	<u>13.18%</u>
Totals	\$466,219,570.91	\$514,108,808.65	\$47,889,237.74	10.27%
Percent of Actual/Estimated	56.36%	64.06%		





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Corporation Income Tax Comparison (Millions)

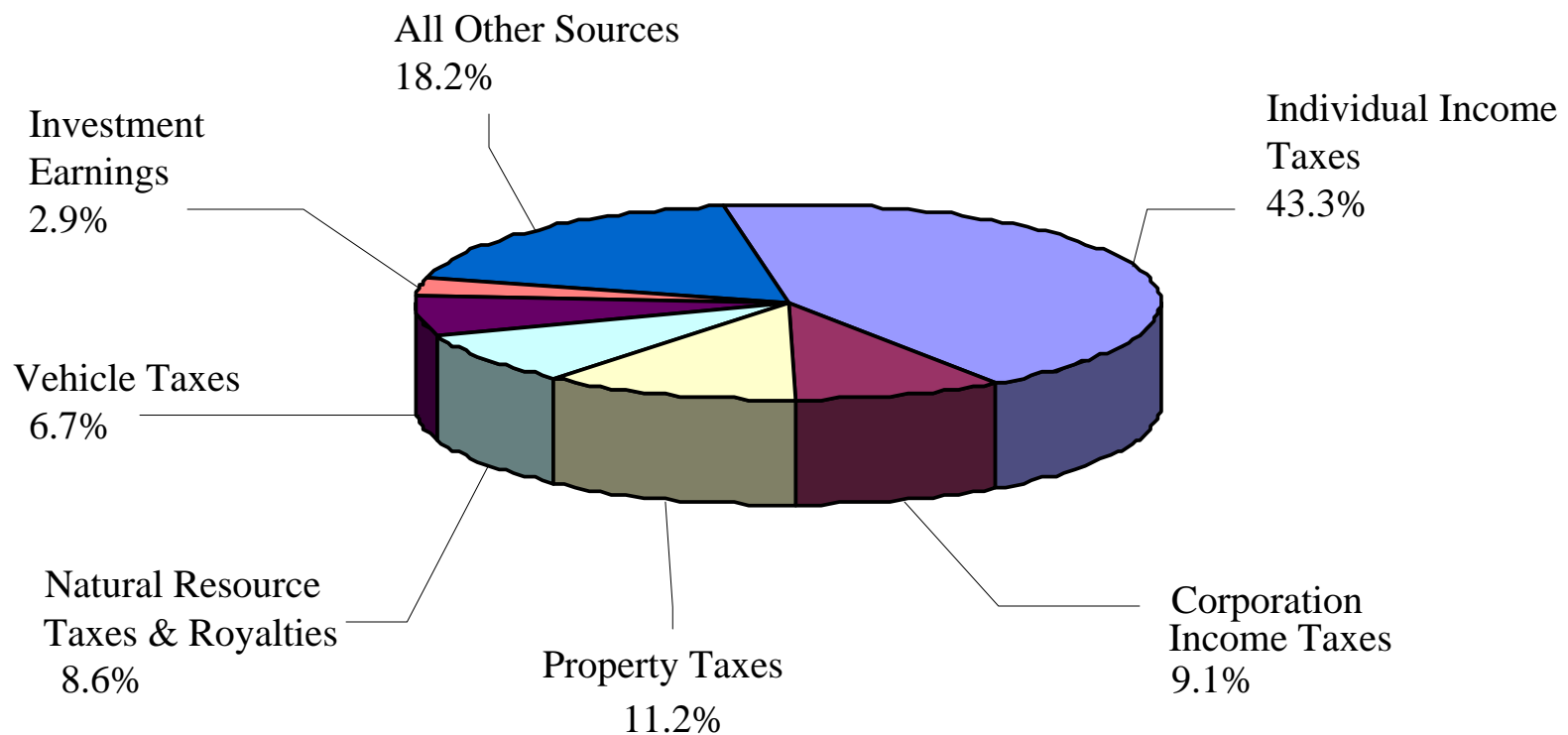


Corporation Income Tax Comparison				
Revenue Code & Description	Through 2/28/07 Fiscal 2007	Through 02/29/08 Fiscal 2008	Difference	Percent Change
510501 Corporation Tax	13,412,164.23	13,368,420.10	(43,744.13)	-0.33%
510505 Corporation Tax Estimated Payments	78,519,960.75	66,984,337.64	(11,535,623.11)	-14.69%
510502 Corporation Tax Refunds	(5,098,121.00)	(17,770,374.42)	(12,672,253.42)	248.57%
510503 Corporation Tax-Audit Collect.	<u>9,141,046.00</u>	<u>11,866,948.00</u>	<u>2,725,902.00</u>	29.82%
Totals	\$95,975,049.98	\$74,449,331.32	(\$21,525,718.66)	-22.43%
Percent of Actual/Estimated	54.07%	46.16%		





General Fund Revenue - Fiscal 2008 HJ 2 Estimates

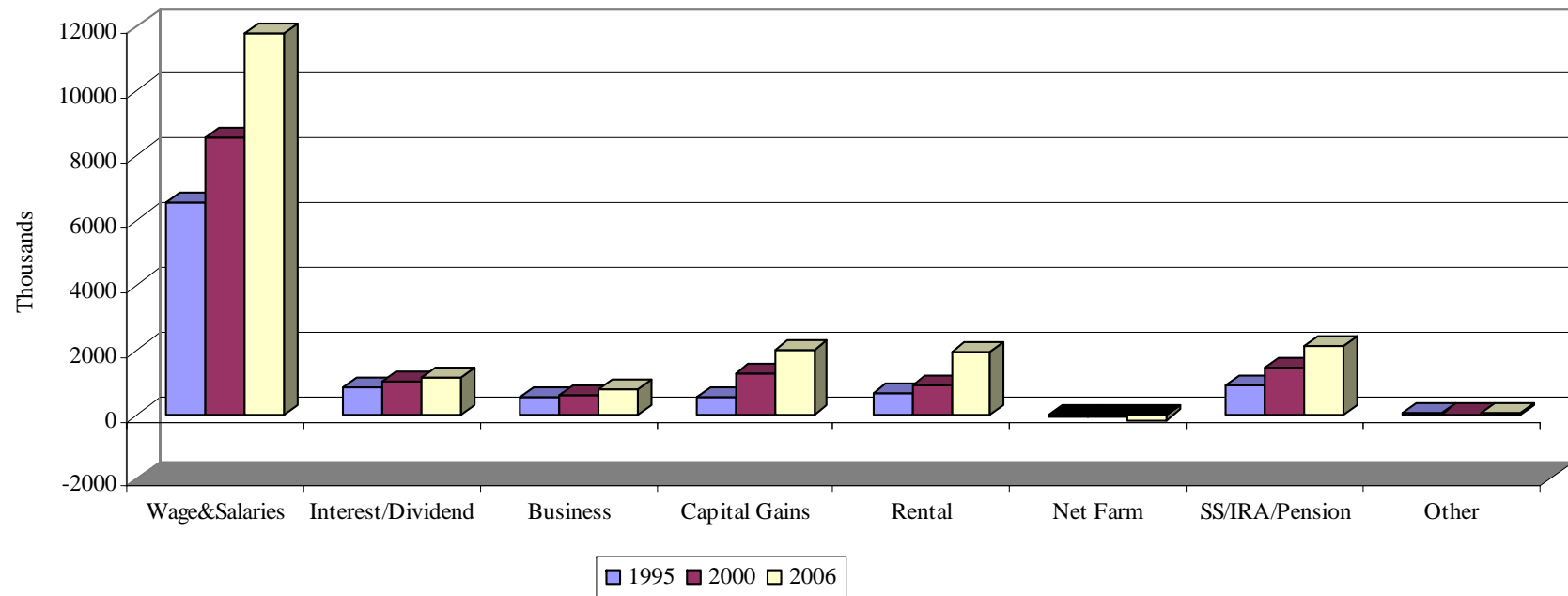




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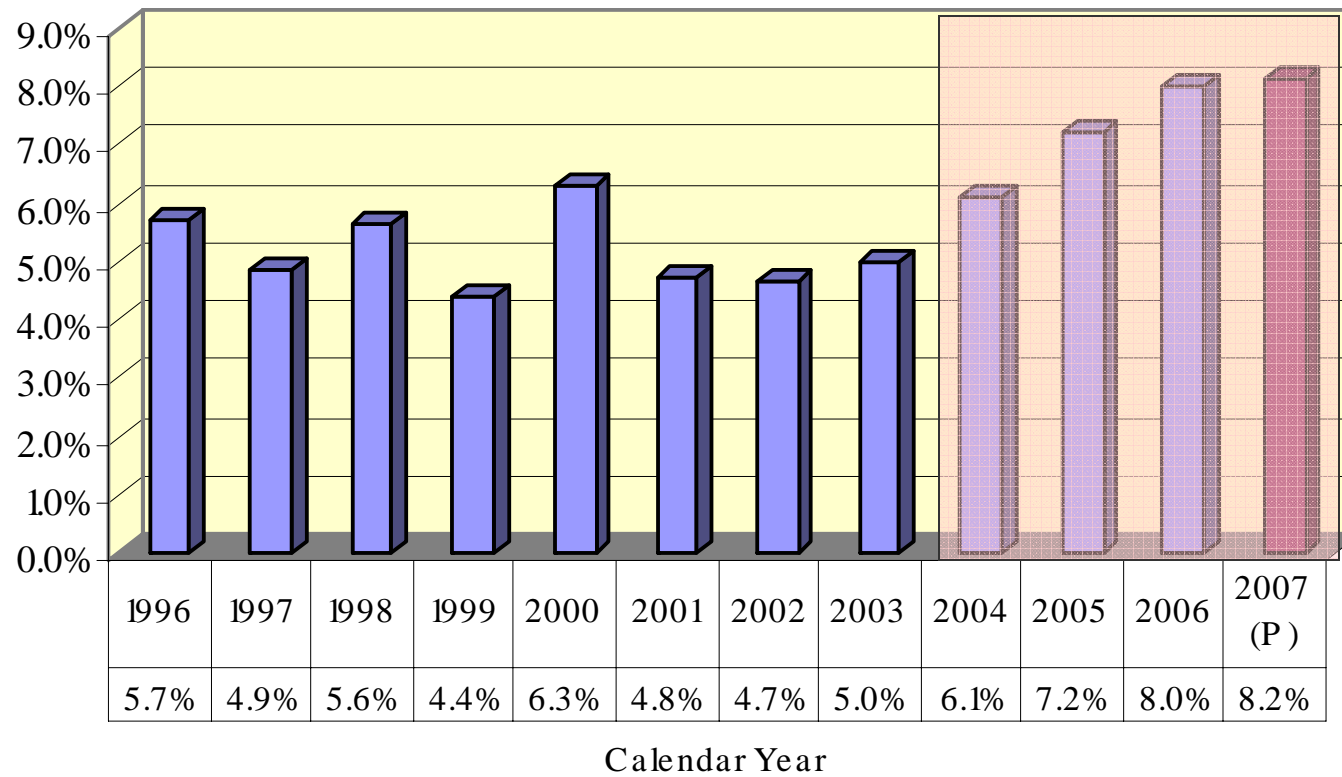


Montana Tax Return Income



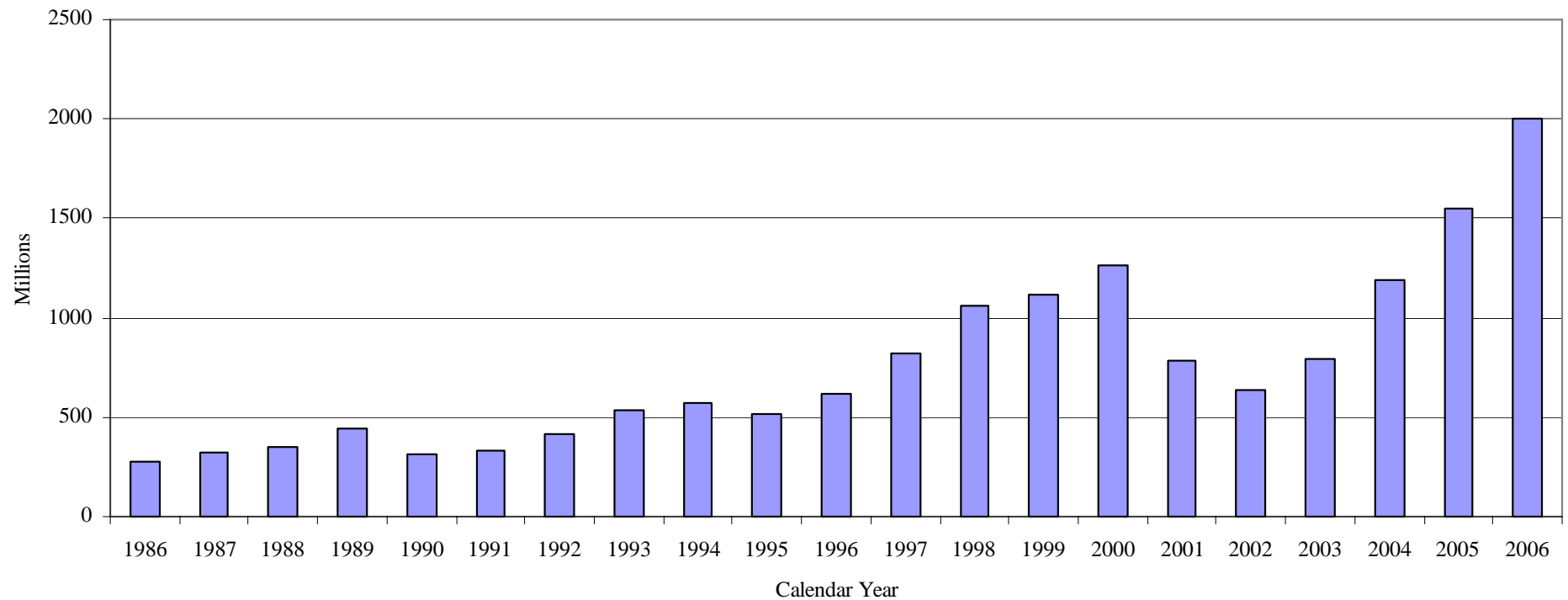


Percent Change in Montana Wage & Salary Income



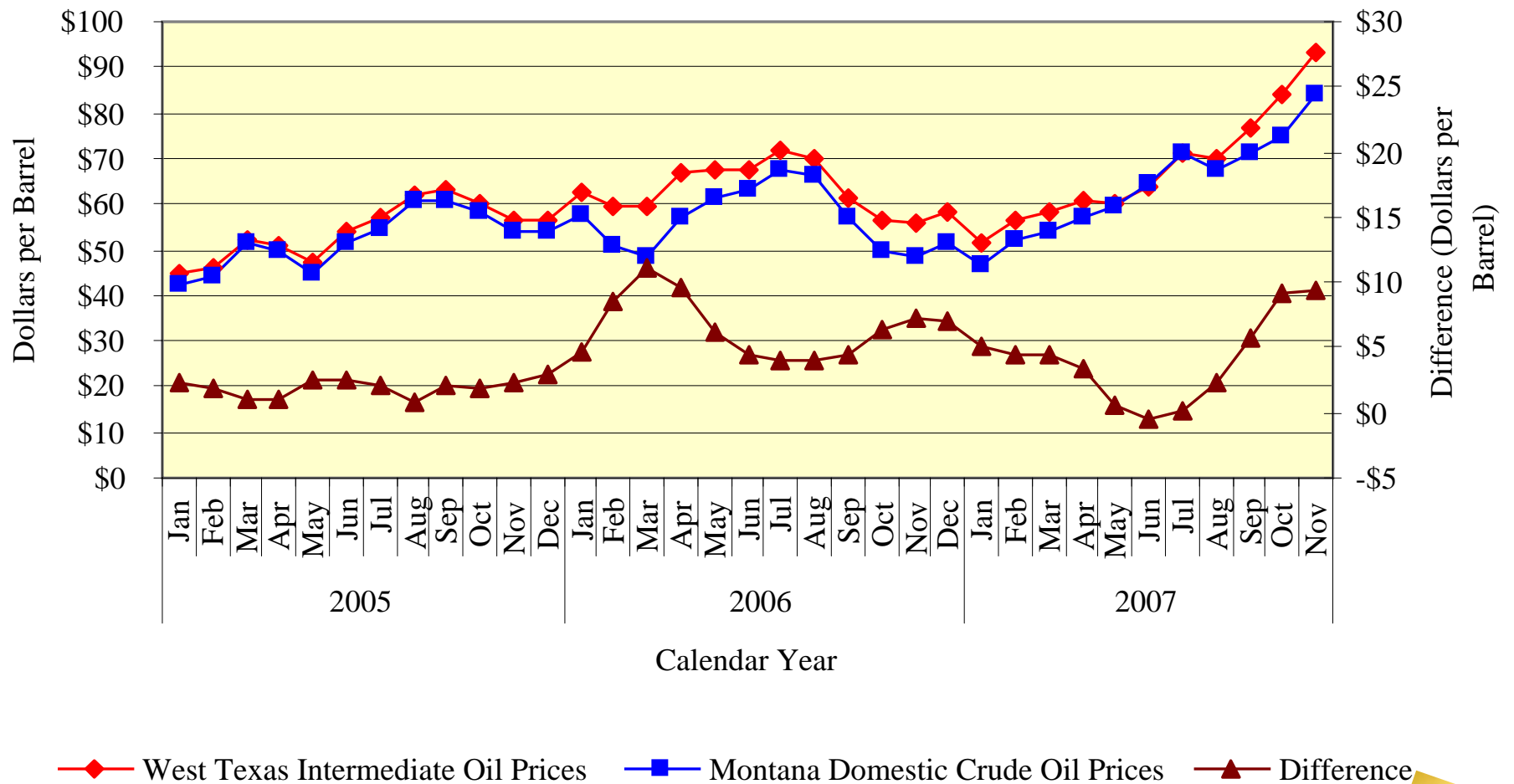


Montana Capital Gains Income



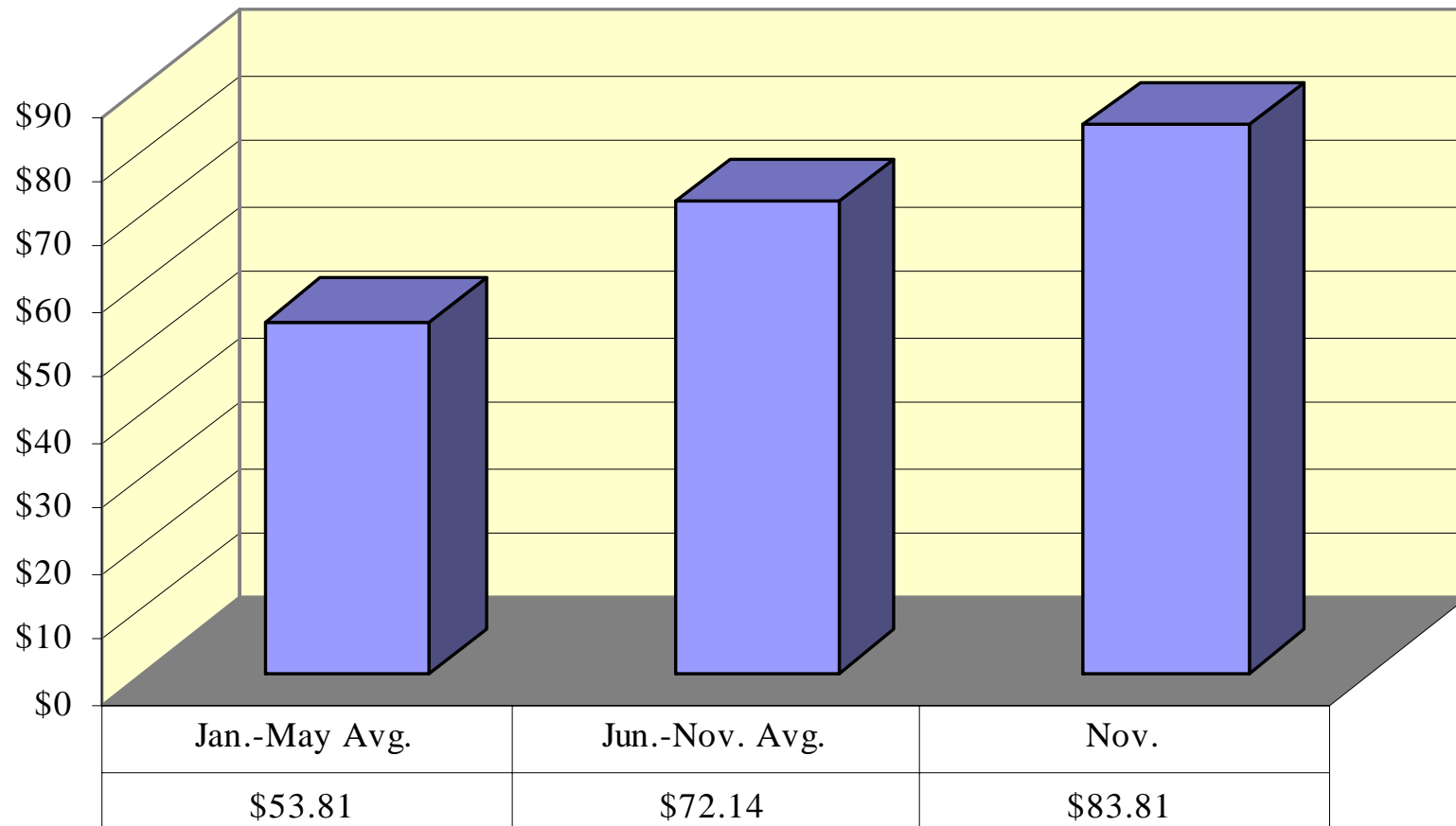
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Crude Oil Prices



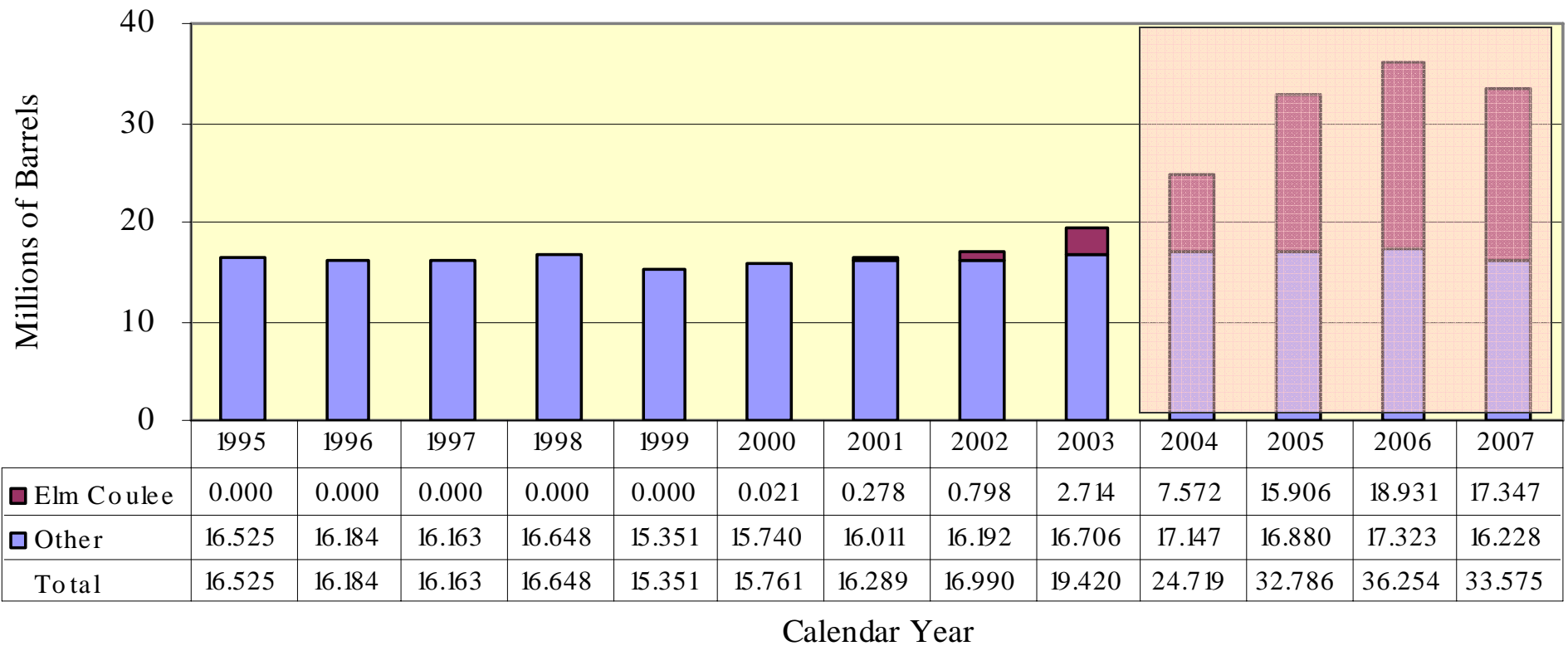


Montana Crude Oil Prices - Calendar 2007





Montana Oil Production

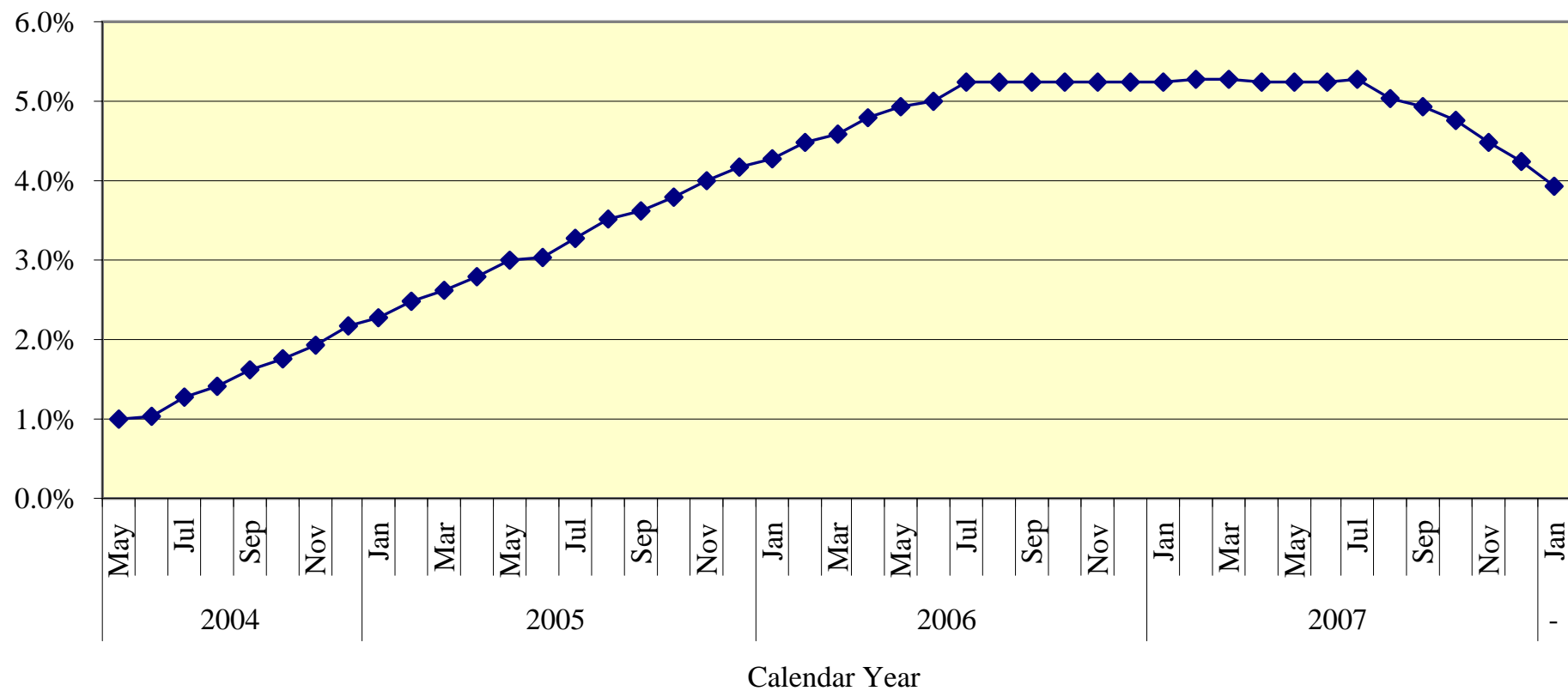




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Federal Funds Rate





Summary

Effects on Legislative Projected
FY 2008 Balance of \$190.7 M *
FY 2009 Balance of \$ 125.0 M *



Income Tax	↑
Corporation Tax	↓
Oil and Gas Production Tax	?
Supplemental Appropriations	↓

*** September 2007 Special Session**





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General Fund Balance Fiscal Issues Watch List

Issue	Impact on Fund Balance	Biennial Impact Millions
\$400 Rebate Reversion	Positive	\$4.2
PPL Protested Tax Settlement	Positive	\$2.3 plus
Federal Stimulus Package	Positive	Unknown
Board of Investments (SIV's)	Negative	Unknown
Avista and PPL Lease Litigation	Positive	\$8 plus
State Fund Old Fund	Negative	\$33 to \$150
Wildfire Costs	Negative or Positive	Unknown

